

**QUARTERLY TASK ORDER
PROGRESS AND COST
REPORT**

**OCTOBER TO DECEMBER
2001**

**PILOT PROGRAM TO
DEVELOP LOCAL
GOVERNANCE IN ZIMBABWE**

Prepared for



Pilot Program to Develop Local Governance in Zimbabwe
United States Agency for International Development
Contract No. LAG-I-00-99-00036-00, Task Order No. 805

Prepared by

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QUARTERLY TASK ORDER PROGRESS AND COST REPORT

OCTOBER TO DECEMBER 2001

PILOT PROGRAM TO DEVELOP LOCAL GOVERNANCE IN ZIMBABWE

Task Order No.: LAG-I-00-99-00036-00, TO No. 805

Date of Issuance: June 5, 2001

Task Order Description

This Task Order initiates a pilot program to assist local authorities (four urban councils and two rural district councils) in Zimbabwe to implement mechanisms for improving local governance. The program will: provide small grants to local civil society organizations (CSOs), technical assistance (TA) to local authorities in more accountable financial management practices, train local authorities and CSOs in participatory local governance, and develop restructuring action plans for local government operations, particularly to improve own-source revenue generation and restructure council debt.

Amount Obligated Under Task Order: \$ 489,966

Total Potential Task Order Amount: \$ 489,966

Dollars Expended To-date: \$ 120,415

Work Performed During the Previous Quarter

The political and economic climate continues to worsen in Zimbabwe, and the program's budgetary planning and financial management was affected this quarter by the ongoing foreign currency crisis and changes in the banking sector. However, the cooperation and TA at the heart of the program are successfully moving forward.

The initial approach to selection of pilot local authorities of a good geographical spread and a mix of urban and rural local authorities was maintained. The pilot program local authorities now selected are:

- Masvingo Municipality
- Kariba Municipality
- Gwanda Municipality
- Gweru Municipality
- Chipinge Rural District Council (RDC)
- Mutoko Rural District Council (RDC)

A final decision on the selection of Bulawayo Municipality as a pilot site has been postponed. The PPLG Local Team will be divided into two groups, each responsible for three pilots, although there will be some joint work in Masvingo to ensure a degree of commonality in approach.

During this period, visits to each of the pilot LAs were carefully planned and good relations continue with the local actors. These meetings built on the sense of local ownership of the project. A formal site interview and data collection protocol for the entire field team was developed for initial and subsequent site visits. The team has now had initial or secondary meetings at all pilot sites, and has met with the leading officials and political leadership of the local authority, e.g., Mayor, Council Chairman, etc., to introduce the team and the program's purpose and activities. This quarter, the team also had initial coordination meetings with the Urban Councils Association and the Association of Rural District Councils in Harare.

In October, UI Senior Fellow Mr. George Peterson and UI consultant Mr. Burgert Gildenhuys, a municipal finance specialist based in South Africa, completed a needs assessment for training and assistance in municipal finance and established procedures for improving accountability and transparency in the demonstration sites. They participated in a one-day conference of the Working Party on Municipal Finance at the end of October, at which Dr. Ramson M. Mbetu gave a presentation on the scope of the PPLG and Mr. Peterson spoke on municipal finance. They also worked closely with the two local municipal finance specialists on the team, Mr. Israel Ndlovu and Mr. Justus Mika, on the collection of local budget data and other quantitative data, and conducted qualitative assessments of local finance officials' skills.

In late October, UI project manager Ms. Rebecca Lawrence traveled to Zimbabwe to work with the local team, focusing on the grants program to civil society organizations and program management training and planning.

The work currently proceeds as scheduled as in the initial workplan.

Program Management

Dr. Ramson M. Mbetu was named CoP of the program in October. The changes were made at a fairly early stage of the program and had little operational impact. The foundations laid by former CoP Mr. Derek Gunby were good and allowed a smooth changeover. Absolom Masendeke, a community development specialist, has joined the team to assume some of Dr. Mbetu's activities as local government specialist on the team. The coordination of grants administration, previously the responsibility of Dr. Mbetu, is now led by Mr. Ndlovu, one of the team's municipal finance specialists, who is a highly experienced financial manager and accountant. Mr. Ndlovu and Ms. Lawrence worked together to discuss the financial management and disbursement of CSO grants as well as compliance with USAID directives and UI procedures.

In November, UI submitted to USAID a statement of the budget impact (no net impact) documenting the revisions to statements of work and responsibilities assigned to key personnel. In December, the team submitted a revised workplan to USAID that reflected these changes in personnel and also detailed activities for the period January 2001 to June 2002.



Some Key Findings so far

The following are some of the key findings by the UI Team from the six sites:

- There are information flow problems between local authorities and their constituents and this is an accepted problem by all stakeholders
- There are no formal consultation mechanisms between local authorities and residents and rate payers
- The financial position of all local authorities is precarious compromising seriously their capacity to deliver services
- CSOs and LA's welcome very strongly the opportunity to develop dialogue for improved development and service provision

Up-To-Date Schedule of Work

- In January, the team will complete an annual action plan and a log frame with performance indicators to complement the workplan.
- A workshop series designed with objectives and expected outputs, as well as an agenda and accompanying presentation materials, will be finalized in January. The next series of workshops are to be held:
 - In Mutoko and Masvingo in January
 - In Gwanda, Kariba and Chipinge in early February
 - Dates for workshops in Gweru to be determined possibly after March elections
- The team will present a report on the program to USAID, the Ministry of Local Government, Public Works and National Housing (MLGPWNH), MFED, UCAZ, and ARDC during the end of January on a date to be finalized with USAID and partners (*tentatively January 29, 2002*).

Following the team's broad meetings in January, the PPLG's counterpart local institutions in collaboration with key CSOs and private sector agencies will begin work on the Restructuring Action Plans (RAPs). Also in the next quarter, the PPLG will solicit applications for grant sub-awards to be made to civil society organizations working to promote local democratic governance in the areas participating in the pilot program. At the end of the quarter, the UI Team will prepare and present an outline a RAP.

Key Personnel

Dr. Ramson M. Mbetu, UI/Harare, rammbetu@samara.co.zw, 263-4-791-574 and Ms. Rebecca Lawrence, UI/Washington, DC, 1 202 261 5764, rlawrenc@ui.urban.org.

ATTACHMENT
Cost Report

Contract Quarterly Financial Report

Contract No. USAID Contract No. LAG-I-00-99-00036-00 (Sustainable Urban Management)
Contractor: THE URBAN INSTITUTE
UI Project No. 06967-006
For the Quarter Ending: 12/31/01 (Booked expenditures through 12/31/01)

UI Project No.	Task Order No.	Task Order Name	Country	ceiling Price	Authorized Expenditures (Total Amount Obligated)	Total Expenditures Booked through 10/02/01 (2001 Quarter 3 Report)	Quarterly Expenditures Booked through 12/31/01 (2001 Quarter 4 Report)	Cummulative Expenditures Booked through 12/31/01	Balance Available	Effective Date	Estimated Completion Date	Actual Completion Date	LOE Authorized (Days)	LOE Used/Accr ued	Balance in Days +/- (-)
06967-006	OUT-LAG-I-805-99-00036-00, Task Order 805	Pilot Program on Developing Local Governance in Zimbabwe	Zimbabwe	489,966	489,966	19,285	101,130	120,415	369,551	06/11/01	12/10/02	TBD	564	203	361
TOTAL				\$ 489,966	\$ 489,966	\$ 19,285	\$ 101,130	\$ 120,415	\$ 369,551				564	203	361

Actual costs reflect data recorded by the Urban Institute's reporting system through 10/02/2001; accrued expenditures (such as subcontractor and consultant invoices, travel expenses, and other direct costs not yet received by UI) are not included.